

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
SEPTEMBER 18, 2006**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, September 18, 2006.

The meeting was called to order by Chairman Greg A. Krodel who presided.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Greg A. Krodel - Chairman  
Mike Harder – Vice Chairman  
Ken Sendelweck – Secretary  
Michael A. Schwenk – Electric Commissioner  
Edward J. Kreilein – Wastewater Commissioner  
Alex Emmons – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Windell Toby – Electric Generation Manager  
Michael A. Oeding – Gas & Water Manager  
Bud Hauersperger – General Manager  
Sandy Hemmerlein – City Attorney

**ABSENT:**

Jeffrey S. Theising – Water Commissioner  
Thomas A. Lents – Wastewater Manager

**PLEDGE OF ALLEGIANCE** (A-21)

Chairman Greg Krodel led the Pledge of Allegiance.

**APPROVAL OF MINUTES** (A-28)

Chairman Greg Krodel presented the minutes of the August 21, 2006 Regular Meeting and the August 28, 2006 Special Meeting and there being no corrections or amendments, asked for a motion to approve. Ed Kreilein made a motion to approve the minutes of both August meetings as presented. Mike Schwenk seconded the motion. Motion approved, 6-0.

**SOFTWARE SERVICE AGREEMENT WITH OEI** (A-53)

Jerry Schitter reminded the Board about the purchase of the new SCADA system that was made

one year ago. He said that this purchase contract also included a one year service and software update agreement. This agreement is set to expire on September 30, 2006.

Jerry said that he thought it would be beneficial to sign a one year service agreement extension, which was offered for a price of \$5,629.00. Purchasing this service agreement extension would allow the Electric Distribution Department to get all software upgrades for the SCADA system, as well as normal business hours service on the system. If the extension is not purchased, the Electric Distribution Department would be put to the bottom of the service call list and would have to pay a high hourly rate for service. This extension also guarantees the software, if the system happened to crash.

Alex Emmons made a motion to approve a one year extension for the SCADA software service/upgrade agreement. Mike Harder seconded the motion. Motion approved, 6-0.

### **ELECTRIC COMMITTEE REPORT** (A-137)

Mike Schwenk, Chairman of the Electric Planning Committee, stated the committee met on September 5, 2006 to review power purchase contract proposals for 2007. Proposals were sent by Vectren, IMPA, Duke, and Ameren.

Schwenk said that the Electric Planning Committee recommends one of the proposals from Vectren. This proposal includes a \$10.20 demand charge, plus a \$22.50 energy charge and does not include any fuel adjustment charges. This contract would only increase 2007 customer rates by approximately 6 percent more than the 2006 rates.

Mike Schwenk made a motion to sign a one year contract with Vectren for the City of Jasper's 2007 power requirements, subject to review by outside counsel. Ken Sendelweck seconded the motion. Motion approved, 6-0.

Schwenk said that the Electric Planning Committee also had another recommendation to do an Electric Rate Study. With the change in demands and usage rates, the committee felt it would be beneficial to do a rate study, as it has been 8 years since the last study was done. H. J. Umbaugh has been the firm that has done the rate studies in the past.

Ed Kreilein made a motion to authorize Bud Hauersperger to begin the rate study process by pursuing an agreement with H. J. Umbaugh. Alex Emmons seconded the motion. Motion approved, 6-0.

### **BP CONTRACT FOR REMAINING 11 MONTHS** (A-214)

Mike Oeding reminded the Board that at the August Special Meeting, approval was given to sign a special gas purchase agreement with BP for gas supply through UGM on the ANR Pipeline. The agreement was only signed for one month as BP had some problems with our contract changes. Mike said that BP has now agreed to the contract changes for the remaining 11 months. The contract for the remaining 11 months has now been received and needs to be signed.

Alex Emmons made a motion to continue and sign the BP contract again for the remaining 11 months. Mike Schwenk seconded the motion. Motion approved, 6-0.

Mike Oeding also added that after the first month with BP through UGM on the ANR Pipeline, there was a savings of \$4,300.00 to the customers.

#### **ATMOS CONTRACT TERMINATION** (A-260)

Mike Oeding stated that ATMOS has agreed to terminate their contract early on the Texas Eastern system, as of October 31, 2006, as we had proposed. Sandy Hemmerlein received a letter from ATMOS agreeing to this early termination date.

Mike Schwenk made a motion to accept the ATMOS contract early termination date of October 31, 2006. Mike Harder seconded the motion. Motion approved, 6-0.

#### **EXTENDING UGM TO COVER TE GAS SUPPLY** (A-290)

Since the ATMOS contract will be terminated on October 31, 2006, Mike Oeding said that we now need to extend the UGM contract to cover the Texas Eastern system. Sandy Hemmerlein has had another UGM contract written to include the Texas Eastern system. This contract covers dates 11/1/06 through 8/31/07, so both the contracts for the ANR and Texas Eastern system end on the same date. The new contract is ready to be signed.

Oeding also said that there is another supplier through UGM on the Texas Eastern System, which is Enbridge Marketing LP. Oeding does not believe that there will be a requirement to sign a separate agreement with Enbridge, like had to be done with BP. However, if Enbridge does have such a requirement, Oeding would like approval to sign such an agreement, after the agreement is reviewed by outside counsel.

Ken Sendelweck made a motion approving the Natural Gas Management Agreement with UGM for the term of November 1, 2006 through August 31, 2007 on the Texas Eastern Pipeline and also approval to enter into a gas purchase agreement with Enbridge Marketing LP, if necessary, subject to review by outside counsel. Alex Emmons seconded the motion. Motion approved, 6-0.

Mike Oeding also revealed some good news for the customers. He said UGM has hedged 25,000 decatherms of gas for October for \$5.485 per decatherm. Last year in October we hedged for \$12.65 per decatherm. Oeding said that 25,000 decatherms makes up about 2/3 of the load for October.

#### **UPDATE - MERIDIAN ROAD GAS PROJECT** (A-389)

Mike Oeding stated that most of the pipe is in line out on the Meridian Road Project. Some of the pipe is in the ground already. They have trenched as much as they could, given the weather recently. As soon as the weather breaks, Oeding said it would be about two weeks until he could

get the directional borer out to finish up the project. The station would then have to be set up on Meridian Road. The complete project should be done before the winter season.

#### **SLUDGE DISPOSAL** (A-397)

Mike Oeding said that the time of year is nearing when the Water Department has to dispose of the sludge. He said they have a letter permitting them to dispose of the sludge on the Hochgesang site. Oeding would like permission to hire Lechner to haul the sludge to the Hochgesang site for disposal. The price from Lechner would be \$3,000 to \$4,000.

Alex Emmons made a motion allowing the Water Department to hire Lechner to haul the sludge. Ed Kreilein seconded the motion. Motion approved, 6-0.

#### **SLUDGE HANDLING PERMIT** (A-412)

Mike Oeding stated that we do not actually have a sludge handling permit. He said that the Water Department has a letter from IDEM exempting them from the Waste Rule. Donan obtained for the Water Department a letter giving them permission to be exempted from the Waste Rule so they could apply the sludge at the old landfill. Once the landfill closed, the letter did not get extended and they had to dispose the regular way at the Blackfoot Landfill. The cost to dispose at Blackfoot was \$17,360.00. A letter was then obtained to use the Hochgesang site for sludge disposal. The Hochgesang site will expire on December 31, 2007.

Oeding would like to start now getting another letter drafted and approved by IDEM allowing the Water Department to use another site for disposal, rather than having to use a landfill. Donan no longer drafts these types of letters. Oeding obtained a proposal from Commonwealth to do all the background work to obtain another letter from IDEM allowing the Water Department to dispose of the sludge at an open ended landfill site, for a price not to exceed \$4,000.00.

Ed Kreilein made a motion to grant Mike Oeding permission to proceed with Commonwealth, with a contract, to obtain a letter from IDEM for a new sludge disposal site for an amount not to exceed \$4,000.00. Mike Harder seconded the motion. Motion approved, 6-0.

#### **GAS PLANNING COMMITTEE REPORT** (A-481)

Alex Emmons, Chairman of the Gas Planning Committee, stated the committee did not meet during this past month.

#### **WATER PLANNING COMMITTEE REPORT** (A-483)

Mike Oeding, Gas and Water Manager, stated the committee did not meet during this past month.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (A-486)

Ed Kreilein, Chairman of the Wastewater Planning Committee, stated the committee did not

meet during this past month.

#### **NON-RECURRING CHARGES RESOLUTION** (A-490)

Bud Hauersperger presented Resolution #USB 2006-7, to set non-recurring charges applying to Utility Service. These charges had previously been set in many different areas. The idea was to get one listing compiled, in writing, for all non-recurring charges. He said these charges will be reviewed annually to see if any adjustments need to be made and presented to the Board for approval.

Michael Schwenk made a motion to adopt Resolution #USB 2006-7, Resolution of the Utility Service Board of the City of Jasper, Indiana Setting Billing Charges. Ken Sendelweck seconded the motion. Motion approved, 6-0.

#### **ASSET DISPOSAL AUTHORIZATIONS** (A-590)

Bud Hauersperger presented asset disposal authorizations for items that the Utility Departments would like disposed of due to being broken or not of any use. Some items will be auctioned at the City Wide Auction in October. The proceeds from the auctioned items will go back to the respective Utility Department.

Mike Harder made a motion to authorize asset disposals per the lists as presented by Bud Hauersperger. Ed Kreilein seconded the motion. Motion approved, 6-0.

#### **SALARY RESOLUTION FOR 2007** (A-616)

Bud Hauersperger presented Resolution #USB 2006-06, recommending salaries and wages for Utility employees for the year 2007. The rates were reviewed and updated based on what was approved by the City Council.

Alex Emmons made a motion to adopt Resolution #USB 2006-06, A Resolution of the Utility Service Board of the City of Jasper Recommending Salaries and Wages for Utility Employees for the Year 2007, to be sent as an Ordinance to the City Council to approve these rates. Michael Schwenk seconded the motion. Motion approved, 6-0.

#### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (A-634)

Ken Sendelweck reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented was a claim on behalf of Harrison & Moberly, LLP in the amount of \$8,696.37, representing legal services relating to the Titan litigation issue for the Wastewater Project. SRF and BIF funds have been exhausted, therefore after Utility Service Board approval, the above referenced claim will be paid from Wastewater funds.

The Finance Committee recommended approval of the claims as presented.

Ed Kreilein made a motion to approve the claims as presented. Mike Harder seconded the motion. Motion approved, 6-0.

**PSCI WATER TANK LEASE AGREEMENT** (A-646)

Sandy Hemmerlein stated that in April 2003, the Board granted PSCI approval to seek a variance on the North Water Tower and approval to allow placement of an antenna on the North Water Tower. The variance was granted and the Board of Public Works entered into a Water Tank Lease Agreement with PSCI. The term of the agreement will expire on December 31, 2006.

Hemmerlein stated that we also have a Website Agreement with PSCI, which is tied to the Water Tank Lease Agreement, when it came to payment. The Website Agreement continues until July 31, 2009.

PSCI has contacted Sandy to renew the Water Tank Lease Agreement. Sandy then requested a Utility Service Board recommendation to the Board of Public Works and Safety to renew the Water Tank Lease Agreement. No damage has been done to the water tower since the start of this agreement per Mike Oeding.

Ken Sendelweck made a motion to recommend to the Board of Public Works and Safety that they renew the Water Tank Lease Agreement with PSCI. Michael Schwenk seconded the motion. Motion approved, 6-0.

**ACKNOWLEDGEMENT OF JACKIE BOCKELMAN** (A-676)

Chairman Greg Krodel thanked Jackie Bockelman for 12 years of service to the Utility Service Board for compiling the Board Meeting Minutes each month.

There being no further business to come before the Board, the meeting was adjourned at 7:50 PM upon motion by Ed Kreilein and second by Alex Emmons. Motion approved, 6-0.

Attest: \_\_\_\_\_  
Secretary Chairman